

# CHECK PREPARATION, REVOLVING FUND / EMERGENCY FIRE TIME

(No.151 September 2016)

3742

Purpose/Use:	Revolving Fund check preparation
Reference/Authority:	CAL FIRE Handbook Sections: 3615, 3741, 3744, 3836, 3846 SAM 8080, 8100 - 8193
Forms/Related Documents:	Authorization for Salary Advance, AO-123 Check Stock Request/Receipt, AO-140 Emergency Fire Time Transmittal Letter, AO-59 Request for Revolving Fund Check, AO-107 FC-42 Check Stock Transfer Log, AO-142 Revolving Fund 053 Check Stock Transfer Log, AO-145 Revolving Fund Check Log, AO-150 Revolving Fund Transmittal Letter, AO-58 Transmittal of Vouchers for Cash Payment, AO-119 Unused Check Stock Inventory, AO-236. See Handbook 3744 State Agency Trust Check Replacement Application STD 805a
Guide Cards	Authorization for Salary Advance, AO-123 Check Stock Request/Receipt, AO-140 Emergency Fire Time Transmittal Letter, AO-59 Request for Revolving Fund Check, AO-107 Revolving Fund Check Log, AO-150 Revolving Fund Transmittal Letter, AO-58 Transmittal of Vouchers for Cash Payment, AO-119 Unused Check Stock Inventory, AO-236
Due Date(s):	AO – 58 / AO – 59: submit with related documents within 24 hours of the date of the check to DAO. AO – 107: submit with supporting documents at least 10 working days prior to the date the check is needed. AO – 123: Submit as needed. AO – 236: Quarterly.
References	SAM 8040 to 8044 SAM 8100 to 8121.1

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The Revolving Fund is similar to a checking account maintained and monitored by the Departmental Accounting Office - Revolving Fund (DAO - RF). The amount maintained in the Revolving Fund Account is approximately \$ 13 million. The amount of the Revolving Fund cannot exceed 3% of the CAL FIRE appropriation balance. There are two revolving fund accounts:

053	Revolving Fund Account
351	Emergency Fire Time (EFT) Account

Revolving Fund checks are generated/typed for the following reasons:

#### Units:

TYPES	NAME
60-4	Uniform advances (permanent employees)
60-5	Uniform advances (seasonal employees)
63-0	<p>Miscellaneous payments:</p> <ol style="list-style-type: none"> <li>1. Federal publications</li> <li>2. Subscriptions</li> <li>3. Fees (permits, licenses)</li> <li>4. Postage and rental boxes</li> <li>5. Organizational Memberships</li> <li>6. Registration for workshops/conferences/training (TR-7 required)</li> </ol> <p>Any other type of vendor payment must have written permission by <b>DAO</b> if payment is required at time of purchase and vendor has indicated in writing that they would not accept STD. 65 or CAL-Card. Miscellaneous payments are usually one-time requests.</p>
65-0	Petty Cash Fund custodian replenishment

67-0	Salary Advance
71-0	Salary / uniform expense
60-2	In State and Out – of – state Travel Advance
62-0	Vendor discounted invoices (DAO only)
68-0	Petty cash fund advances (DAO only)
69-0	Change fund advance
N/A	Travel Advance Excess Payment (DAO Only)
N/A	Salary Advance Excess Payment (DAO Only)
N/A	Expense Advance Excess Payment (DA Only)

**NOTE: Although Region Headquarters has the authority to issue checks, this authority may or may not have been delegated to units.**

## **MONETARY LIMITATIONS**

**3742.1**

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The maximum amount for which a unit may generate/type a revolving fund check (except DAO-RF) is:

- \$15,000.00** Salary separations to comply with the Prompt Payment Act and its' provisions; and postage = requires two signatures
- \$5,000.00** Salary and FC-42 wages = requires one signature
- \$2,000.00** Miscellaneous payments = requires one signature

If an exception needs to be made to the limitations listed above, the approving officer must make arrangements to contact California Northern Region Headquarters (CNR) or California Southern Region (CSR) Region Administrative Officer (RAO). If not available, contact DAO-RF Supervisor or DAO-Fund Accounting Supervisor for approval.

+NOTE: If time is limited, it is recommended that you email for approval and attach email approval to AO-107 if miscellaneous vendor or as back-up to AO-58 or AO-59 if salary or FC-42 wages.

## **CHECK STOCK REQUEST, AO - 140**

**3742.2**

(No.151 September 2016)

### **Unit or Region Headquarters**

If checks are needed, the following procedure is to be followed by authorized staff:

1. Prepare "Check Stock Request/Receipt," AO-140 to request check stock. Complete the following information using AO-140 gc as a reference:
  - A. Date
  - B. To

- C. Type of checks (Revolving Fund or Fire Time checks)
- D. Quantity
- E. Signature and unit of person requesting checks
- 2. Make a copy for unit and send original to Region Headquarters or DAO - RF (as appropriate).
- 3. Upon receipt of the check stock and AO-140, complete the following "RECEIPT" information:
  - A. Quantity received is correct
  - B. Check #s issued are the same as received
  - C. Missing checks (if any)
  - D. Signature of person receiving checks and date received.
- 4. Return to Region Headquarters or DAO - RF as appropriate

**See Check stock security on page 7.**

### **Region Headquarters or DAO-RF**

Upon receipt of an AO-140, do the following:

- 1. Complete the following information in the Revolving Fund Check Control Log.
  - Date checks sent
  - Check #s issued
  - Missing checks (if any).
- 2. Make two copies of the AO-140 and place copy in the pending file.
- 3. Attach the original and copy of the AO-140 to the check stock being sent.
- 4. Send checks to the custodian. Mail as "return receipt requested."
- 5. When the AO-140 is returned, file in the Revolving Fund Check Control binder.

## **SEPARATION OF DUTIES**

**3742.3**

(No.151 September 2016)

Each unit, HQ, and Regional Management is responsible for establishing and maintaining adequate internal controls. The procedures must be set up to provide assurance that the department's assets are safeguarded against loss from unauthorized use or disposition, transactions are executed in accordance with management's authorization, and recorded properly and accurately and in accordance with prescribed policies and procedures. The procedures also must provide accountability over agency check writing activities, and ensure that adequate separation of duties exists.

SAM 8080 states that the head of each State agency establish and maintain an adequate system of internal control within their agencies. A key element in a system of internal control is separation of duties. Employees of units other than the accounting unit should be used, when necessary, to provide separation of duties.

## **STANDARDS OF INTERNAL CONTROLS:**

A satisfactory system of internal control shall include, but not be limited to, the following standards:

### Segregation of Duties

A plan of organization that provides segregation of duties appropriate for proper safeguarding of assets. Key duties such as authorizing, approving or recording transactions, issuing or receiving assets, making payments, and reviewing or auditing shall be assigned to separate individuals to minimize the risk of loss. A satisfactory internal control system depends largely on the elimination of opportunities to perpetrate and then conceal errors or irregularities. This in turn depends on the assignment of work in such a fashion that no one individual controls all phases of an activity or transaction.

### Access to Assets, such as checks:

Access to assets should be limited to authorized personnel who require these assets in the performance of their assigned duties. Access includes both direct physical access and indirect access through the preparation or processing of documents that authorize the use or disposition of resources.

### Authorization, Execution, and Recording of transactions:

A system of authorization and record keeping procedures is needed to provide effective accounting control over assets, liabilities, revenues, and expenditures. Independent evidence shall be maintained to document that authorizations are issued by persons acting within the scope of their authority and that transactions conform to the terms of the authorizations. Documentation shall provide an adequate audit trail. Transactions shall be accurate, timely, properly recorded, and properly classified. Computer system controls should be utilized to safeguard records and preserve data integrity.

### Documentation of System:

All units should have an established system of policies and procedures to be followed in the performance of duties and functions. Such a system shall include, but not limited to, documentation of internal controls, accountability for resources and recording of financial transactions, and such documentation shall be communicated and made available to all employees and auditors.

### Personnel who are trained and knowledgeable to fulfill their responsibilities

Key personnel should have high standards of integrity, and be competent through education, training, and experience to accomplish their assigned duties.

### Supervision:

Qualified and continuous supervision shall be provided to assure that approved procedures are followed and are operating as intended. Lines of personal responsibility and accountability shall be clear. Supervision should be competent and continuing so as to ensure achievement of internal control objectives.

### Monitoring controls:

An effective system of internal review by both the department/agency and the internal audit unit should be established. Managers should take action when control deviations requiring action are noted.

### Reasonable Assurance:

Internal control systems shall provide reasonable but not absolute assurance that the internal control objectives will be achieved.

## **Responsibilities**

Below are basic responsibilities for the issuance of revolving fund (RF) checks:

### **A. Check requester Responsibilities:**

- Determine eligibility for payment;
- Complete the applicable check request document
- Obtain approval for payment from manager or designee with appropriate signature authorization

### **B. Support staff/typist/check preparer responsibilities:**

- Security, storage, and accounting of blank RF check stock.
- Logging revolving funds checks in the form AO-150.
- Issue/Type RF checks.

### **C. Supervisor/Manager responsibility:**

- Designate custodian of the blank check stock.
- Ensure check stock and keys are secured with limited access.
- Ensure procedures are in place and followed to ensure proper internal controls and separation of duties.

### **D. Authorized Check Signers:**

- Ensure that there is an approved signature card on file.

- Sign revolving fund checks. Be aware that revolving fund check amount of \$15,000.00 or over requires two signatures.
- Forward the signed checks to an employee authorized to mail or disburse the checks.

### **Security of checks**

The main supply of revolving fund checks must be stored in a locking safe or locked drawer. A daily or small weekly supply can be logged out by the custodian to the check issuer by using the Check transfer Log, *and* kept in a locking supply cabinet, file cabinet or desk drawer at all times.

**NOTE:** The daily check supply must be kept secure during the day and must not be left unattended.

### **Custodian**

This must be a designated person who has access to the safe, controls, and safeguards the check stock, distributes and logs out daily supply of checks to the typist/check preparer, and ensuring that the log of signed checks is maintained daily, but will not be involved in check processing. The same person is responsible for accounting for the sequential check numbers in the log. A back-up person will also be designated. This person may be a manager, lead worker, or other designated person, in accordance with SAM 8080.

### **Record of designated persons**

Each office will keep an updated record of authorized staff for duties related to checks, including access to safe.

**Per SAM 8080, no one person will perform more than one of the following types of duties:**

**(NOTE: MEMBERS OF THE SAME FAMILY ARE CONSIDERED AS ONE PERSON).**

1. Receiving and depositing remittances.
2. Authorizing disbursements. Checks must not be routed for mailing or distribution through the person who authorized the disbursement or prepared the check.
3. Typing/Printing RF checks.
4. Manual Signing of issued RF checks or Operating a check signing machine.

5. Comparing machine-signed checks with authorizations and supporting documents, or signing checks manually after personally comparing them with authorizations and supporting documents. It is preferable that this job be performed by a Business Service Officer, or a comparable high level classification in an office management, office services, or cashiering section independent from the accounting office, if the agency has such a section and it is so staffed, otherwise this duty will be performed by the Accounting section by a Sr. Accounting Officer classification or higher.
6. Reconciling bank accounts.
7. Preparing and completing the RF check request form AO107, AO123 and AO119 or preparing invoices or any payment documents.
8. Approving payment documents such as AO107, AO-123, and AO119.
9. Inputting payment information in the system.
10. Controlling blank check stock

## **PLAN OF SEPARATION OF DUTIES FOR EACH UNIT**

**3742.3.1**

(No.148 September 2016)

Management will review the distribution of duties periodically, and maintain a list of authorized staff for each process, ensuring that no one person does more than one of the above duties for each transaction. In times of employee absences, employees other than finance section can be given authorization as appropriate in order to ensure adequate separation of duties.

### **Units/Custodian**

**A custodian** shall be designated for each unit authorized by management to be in charge of the Revolving Fund checks. The custodian is responsible for the safekeeping of check stock and all aspects of the check issuance process; however, the custodian is not authorized to sign checks. The custodian will:

1. Maintain a check stock. If checks are needed, submit request as instructed.
2. Store Checks in a safe or locked file cabinet.
3. Use form AO-142 or AO-145 to distribute and document check transfer to other authorized staff for typing the checks
4. Ensure that daily checks written are logged and each check is accounted for by staff.
5. If a check is found to be missing, immediately advise management and DAO-RF, then follow up with a letter providing check number(s) and the date the loss was detected. If there is evidence that the check(s) were stolen, include related information in the letter and notify DAO and the local law enforcement agency within 24 hours of discovery. DAO will notify STO, DOF, Office of State Audits, Internal Office of Program Accountability, and CHP.



Quarterly Unused Check Inventory: (Also see Handbook 3744)

To safeguard the check stock, a quarterly inventory report will be prepared in each Unit and at both regional offices. An Administrative Officer, Manager, Supervisor, or a Chief Officer who does not have access to the safe and does not sign checks will complete a quarterly check stock audit. This will occur as of the last day in March, June, September, and December.

Prepare a quarterly Unused Check Stock Inventory, AO 236 and forward it to DAO-RF Unit by the 10<sup>th</sup> calendar day of the following month every quarter. For example, March inventory is due by the 10<sup>th</sup> of April. Complete the following information using AO-236 gc as a reference.

- Index
- As of the close of business on \_\_\_\_\_.
- Type of checks (revolving fund or fire time checks)
- Checks in the inventory (attach additional sheets if necessary)
- Signature, date and title
- Witness signature, date and title
  - NOTE: the witness must be an employee whose duties do not include typing/processing RF checks.

**CHECK STOCK TRANSFER LOGS FOR  
ACCOUNT 351 AND 053**

**3742.4**

(No.151 September 2016)

**Account 351 AO-142**

Per SAM section 8041 and in accordance with Sam section 8080, Units must keep agency check stocks under strict control at all times to prevent unauthorized use. Blank checks must not be kept in the work area unsecured when not in use. Units must maintain check stock transfer logs to document blank check transfer between the custodian and the typist.

When checks need to be issued for FC-42, the custodian will fill out a Form AO-142 to document the check stock transfer between the custodian and the check preparer/typist. Maintain the forms for audit. Form includes:

- Date
- Check numbers from-to
- Check box number, if any
- Quantity of checks requested
- Quantity of check stock being released
- Checks released by (custodian)
- Checks received by (typist/check preparer)

### **Account 053: AO-145**

Per SAM section 8041 and in accordance with Sam section 8080, Units must keep agency check stocks under strict control at all times to prevent unauthorized use. Blank checks must not be kept in the work area unsecured when not in use. Units must maintain check stock transfer logs to document blank check transfer between the custodian and the typist.

When checks need to be issued for authorized reasons, the custodian fill out a Form AO-145 to document the check stock transfer between the custodian and the typist. Maintain the forms for audit. Form includes:

- Date
- Check numbers from-to
- Check box number, if any
- Quantity of checks requested
- Quantity of check stock being released
- Checks released by (custodian)
- Checks received by (typist)

The completed forms will be maintained by the custodian and be available for audit.

## **REVOLVING FUND CHECK PREPARATION INFORMATION**

**3742.5**

(No.151 September 2016)

### **Unit typist**

The following are guidelines for the preparation of Revolving Fund checks:

1. Maintain a Revolving Fund Check Log, AO-150. Record each check as it is typed. Complete the following information:
  - Date of check
  - Check number
  - Name of vendor/Payee. If check is void, write "VOID" in this column
  - Amount of check
  - Type/Purpose of check.
  - Picked up by/Date
2. All checks are to be typed. DAO uses a check writer.
3. The person who prepares checks must write the check number in ink on the request document with the required supporting documents to prevent their reuse.
4. Information about the purpose of the check is to be typed in the upper left-hand corner of the check.

5. In the box for the amount, after the dollar sign, type two asterisks, amount of check with cents, and two more asterisks. Leave no spaces or commas. If the amount is less than a dollar, after the dollar sign type two asterisks followed by a decimal, the amount of the check and two more asterisks. Example \$\*\*15.00\*\*, \$\*\*.50\*\*.
6. When typing RF checks using a typewriter, do not make erasures or strike-overs in the name, date, and amount areas of the check. If there is a mistake made, issue a new check and Void the incorrect check.
  - Write or stamp "VOID" across the face of the check.
  - Cut off and discard the signature block of the check only, not the white foil.
  - Record check as "VOID" in Revolving Fund Check Log.
  - Retain all copies of voided checks until submitted to DAO-RF with Revolving Fund Transmittal Letter, AO-58.
7. Complete the AO-58 and submit no later than the next business day to DAO-RF.
8. (DAO only) The person who prepares checks will maintain an Excel spreadsheet of checks written, separate from the AO-150. DAO must reconcile the excel spreadsheet against the AO-150 to ensure that all checks are accounted for. The checks must be logged with the following information.
  - Date
  - Beginning Check Number'
  - Ending Check Number
  - Number of Voided Checks
  - Total number of checks used.
9. On the last day of each month, file Revolving Fund Check Log (AO-150). Begin new page with the next check number.
10. Per SAM section 8041.2, checks will be delivered directly to the payee by either U.S. mail, messenger service in a sealed envelope, or a person having no connection with either preparing or approving the claim or invoice. Checks will not be routed for mailing or distribution through the person who authorized the disbursement or prepared the check.

**NOTE: CHECK AND PAY WARRANTS ARE VALID FOR ONE YEAR FROM DATE OF CHECK. CONTACT THE DAO-RF UNIT FOR UNCASHED CHECKS THAT ARE ONE YEAR OLD. ONLY DAO CAN ISSUE A REPLACEMENT CHECK. DAO WILL PERFORM THE NECESSARY ACTION DEPENDING ON THE STATUS OF THE RF CHECK.**

## **LOST OR DESTROYED REVOLVING FUND (RF) CHECK      3742.5.1**

(No.151 September 2016)

Report any lost or destroyed RF checks to DAO-RF unit immediately. Provide the check number and the date the check was issued, and then follow up with a letter providing check number(s) and the date the loss was detected. If there is evidence that the check(s) were stolen, include related information in the letter and notify DAO and the local law enforcement agency within 24 hours of discovery. DAO will notify State

Treasurer's Office (STO), Department of Finance (DOF), Office of State Audits, Internal Office of Program Accountability, and CHP.

Lost or destroyed checks for which the amount has not been remitted to an escheat revenue account (not stale dated yet) may be replaced with a new check as request by the payee. DAO will immediately send a stop payment request to the State Treasurer's Office. The employee or vendor must complete a STD 805A if re-issue is being requested. Submit the AO-805A to DAO as soon as possible. DAO-RF will re-issue the check as soon as the State Treasurer's Office confirms that a stop payment has been placed on the check.

### **Altered Checks**

When departments find check amount and/or payee name has been altered, the Department of Finance (DOF), Office of State Audits and Evaluations (OSAE), the California State Auditor's Office (State Auditor) Investigations Division, and the State Treasurer's Office (STO, Item Processing Section, will be immediately notified.

### **Forgery**

Report to DAO/RF Unit any determined forgery. It is the department's responsibility to review checks for possible fraudulent endorsement. An endorsement is a signature or stamp on the back of a negotiable instrument, such as a check. Department's must at least test check endorsements for possible deviations. Attention must be given to deviations from the following:

- Endorsements in similar writing on several checks payable to different payees.
- The same subsequent endorser on several checks.
- A department employee being a subsequent endorser.
- Effacement (erasing or wiping out) of endorsements.
- Manual endorsements where stamped endorsements would be normal.

Departments that detect deviations from normal will investigate them and will notify DOF, OSAE, and the State Auditor, Investigations Division, immediately of any indication of fraud determined by the department's investigation. A letter also must be sent to the payee in duplicate requesting acknowledgment of payment if there is a reasonable question concerning the propriety of the endorsement. DAO will perform any necessary action required by SAM 8041.1.

## **STALE DATED CHECKS**

**3742.5.2**

(No.151 September 2016)

DAO will review the outstanding revolving fund checks list at least monthly to identify the checks that are going to be one year old. DAO will communicate to the Units to inquire about the status of the revolving fund check. It is the Unit's responsibility to find out if the vendor/employee will still need the check to be re-issued after a Stop Payment Request (STD. 432) is sent to STO as required by SAM 8045. Upon receiving the stop payment request confirmation from STO, DAO will cancel the checks and remit or credit

the amount to the appropriate account as required by SAM 8042. If reimbursement to the ORF has not been received, DAO will cancel the checks and credit the amounts backs to the ORF. If the reimbursement has been received, DAO will cancel the checks and remit the amount to an escheat revenue account in the fund that has established the ORF. Form STD 805A must be completed if an ORF check will be re-issued to the employee or vendor.

**In addition to Revolving fund checks, a warrant issued by SCO** that has not cleared within one year also becomes stale dated. SCO moves the funds to the Escheat Revenue Account and sends DAO a journal entry to post (TC 136) to balance with SCO. Examples of these warrants are vendor invoice payments from a claim schedule; CALATERS Travel expense claim reimbursements, and payroll warrants. DAO will communicate with the Units in order to make a disposition on how best to handle the funds in the Escheat Revenue Account. The units should not re-issue a check that has been stale dated. Units must contact DAO RF unit before re-issuing any check or making any disposition regarding any checks.

## **PETTY CASH**

**3742.5.3**

(No.148 September 2016)

### **Accountability:**

The custodian will be personally responsible for the amount advanced from the revolving fund and will safeguard the petty cash. Cash purchases made with petty cash cannot exceed \$ 50 per SAM 8112 and all purchases must be accounted for with appropriate receipts and must be for authorized purchases. Transfers of custody will be accomplished only after: (a) personal audit of the fund has been made by the employees directly concerned; and (b) a receipt has been given by the newly assigned custodian to the custodian being relieved. A copy of such receipt signed by both parties will be delivered to the Manager or Administrative Officer. An employee other than the custodian of the change or petty cash fund will count it and report the count to the manager/Administrative Officer

### **Unit petty cash custodian**

To replenish petty cash funds, complete Transmittal of Vouchers for Cash Payment, AO-119. Forward AO-119 and Disbursement Vouchers, STD 439s to Unit Finance for audit.

To change petty cash custodian, return the remaining cash along with the AO-119 and STD439 and receipts. The previous custodian's account will be cleared and a new account will be established under the new custodian's name. The AO-119 must clearly state that there is a change of custodian and the name of the new custodian must be clearly printed on the form. A new check for the total amount of the Petty Cash will be sent to the new custodian.

## **Unit finance**

When AO-119 is received, it is audited and forwarded to the unit typist.

## **Unit typist**

The following is typed in the upper left-hand corner. Complete the following information using AO-107a gc as a reference:

1st line: 65-0, issuing index and VE # assigned for that location  
2nd line: Document # (field assigned number)

In the body of the check, type name of the petty cash custodian, date of check, and amount.

After the check is typed, do the following:

- Record the check on the AO-150, Revolving Fund Check Log.
- Record the check number and date on the AO-119, Transmittal of Voucher for Cash Payment.
- Forward the issued RF check to the authorized check signer for signature.
- The check signer forwards the signed RF Check is to an employee authorized to mail or distribute the checks. The check must not be routed to the employee that authorized the disbursement or prepared the check.
- Complete and submit AO-58, Revolving Fund Transmittal Letter with the check foils to DAO-RF Unit.

## **ADVANCES**

**3742.6**

(No.151 September 2016)

An employee may be qualified to receive an advance for salary or uniform. Refer to Personnel Procedures Handbook 1162 for more information.

### **Salary Advances**

#### **Unit Personnel**

When preparing advances, the unit Labor and Human Resources Management (LHRM) Office completes the Authorization for Salary Advance (AO-123) and the request for Revolving Fund Check (AO-107). When an employee suffers a valid hardship, the form AO-107 is used. The form must be signed by the employee and approved by an authorized supervisor and the LHRM Office.

After approvals, forward the AO-107 to the unit typist.

## **Unit typist**

The following is typed in the upper left-hand corner. Complete the following information using AO-107a gc as a reference:

1st line: 67-0, issuing index and Employee vendor number (00+first 4 characters of last name + last 4 digits of SSN #) typed over the "black out" section  
2nd line: SA  
3rd line: month/year

In the body of the check, type the name of the employee, the date of the check, and the amount.

After typed, do the following:

- Record the check on the AO-150.
- Record the check number and date on the AO-107 and the AO-123.
- Forward the issued RF check to the authorized check signed.
- The check signer will forward the signed RF check to the employee authorized to mail or distribute the RF check.
- The check must not be routed to the employee that authorized the disbursement or prepared the check.
- Complete and submit AO-58, Revolving Fund Transmittal Letter with the check foils to DAO/RF Unit.

## **Uniform Advances**

A uniformed employee, in a Bargaining Unit that allows advances, may request a uniform advance. After the AO-107 is prepared and approved, it is forwarded to the unit typist. See Handbook 3695 for details.

## **Unit typist**

The following is typed in the upper left-hand corner. Complete the following information using AO-107a gc as a reference:

1st line: 60-4 (permanent employee) or 60-5 (seasonal employee), issuing index and employee vendor number typed (00+first 4 characters of last name + last 4 digits of SSN #) over the "black out" section  
2nd line: UA "P" (permanent) or UA "S" (seasonal)  
3rd line: anniversary date (if seasonal, leave blank)

In the body of the check, type the name of the employee, the date of the check, and the amount.

After the check is typed, do the following:

- Record the check on the AO-150.
- Record the check number and date on the AO-107.
- Forward the issued check to the Authorized check signer for signature.
- The check signer will forward the signed check to the employee authorized to mail or distribute the check. Checks will not be routed for mailing or distribution through the person who authorized the disbursement or prepared the check.
- Complete and submit AO-58, Revolving Fund Transmittal Letter with the check foils to DAO-RF.Unit.

### **Expense Advances (Vendor Payments)**

Miscellaneous vendor payments are usually one-time requests. If a cash payment to a vendor is needed and the vendor has indicated that a CAL-Card is not accepted, a revolving fund check is issued. Contact DAO if not sure a RF check can be issued. Any vendor payment that requires purchase authority must be claimed scheduled for payment. Revolving fund payment may be used BY DAO if a large discount for early payment is offered. Supporting documents such as purchase authority and approved training request must be submitted with the AO-107.

Miscellaneous vendor payments include:

- Federal publications
- Subscriptions
- Fees (permits or licenses)
- Postage and rental boxes
- Organizational Memberships
- Registration for workshops/conferences/training (TR-7 needed for training)
- Discount Invoices that require immediate payment (DAO only)

The employee requesting the revolving fund check must complete the AO-107. Complete AO-107 using AO-107 guide card as a reference. After the AO-107 is prepared and approved, it is forwarded to the unit typist.

### **Unit typist**

The following is typed in the upper left-hand corner. Complete the following information using AO-107a gc as a reference:

1st line: 63-0, issuing index  
2nd line: Document # (i.e. 0RF7G001)  
3rd line: Vendor #  
4th line: Purpose of check



In the body of the check, type the vendor's name, the date of the check, and the amount.

After the check is typed, do the following:

- Record the check on the AO-150.
- Record the check number and date on the AO-107.
- Forward the issued check to the authorized check signer.
- The check signer will forward the signed check to the employee authorized to mail or distribute the RF check. Checks will not be routed for mailing or distribution through the person who authorized the disbursement or prepared the check.
- Complete and submit AO-58, Revolving Fund Transmittal Letter with the check foils to DAO-RF.Unit.

## **CLEARING TRAVEL, SALARY, AND UNIFORM ADVANCES**

**3742.7**

(No.148 September 2016)

All advances must be cleared within 30 days in accordance with SAM 8116.1 and 8776.7 and in accordance with applicable Bargaining Unit rules. The provisions of the Bargaining Unit rules supersede any other collection procedures. Personnel offices MUST clear any outstanding employee advances during the exit clearance process and deduct amounts due from the final payroll warrants per Government Code 19838. Per SAM 8580, Salary warrants will not be distributed to separating employees until the department has verified that all travel and salary advances have been paid (cleared). The verification must be provided by DAO.

### **Travel Advances**

Travel Advances (TA) must be cleared by submitting travel claims, by having the employee pay cash or check or by payroll deduction within 30 days from the date the advance was issued, and in accordance with applicable bargaining unit agreements.

### **Salary Advances**

Salary Advances issued to employees must be collected and cleared using the employee's SCO pay warrant in accordance with SAM 8116.1 and 8776.7 and in accordance with applicable Bargaining Unit rules. The provisions of the Bargaining Unit rules supersede any other collection procedures

When LHRM Office receives the SCO pay warrant, an A/R, Salary, Uniform Advance clearance form is prepared. This form is submitted to unit typist. The unit typist will prepare a Revolving Fund check for the balance remaining. The Revolving Fund check will be returned to the unit finance for distribution.

## Unit Finance

If the SCO warrant does not cover the advance, LHRM will send the A/R, Salary, Uniform clearance form telling Finance to deposit the SCO warrant.

An employee's personal check for payment of a salary advance should be sent directly to Finance.

Finance will deposit the SCO pay warrant or employee's personal check and record the information on the AO-197a, Revolving Fund Reimbursement using AO-197-7 sample as a reference.

## Unit typist

The following is typed in the upper left-hand corner. Complete the following information using AO-107a gc as a reference:

- 1st line: 71-0, issuing index and employee vendor number (00+first 4 characters of last name + last 4 digits of SSN #) typed over the "black out" section
- 2nd line: SCO warrant number and amount
- 3rd line: Salary advance check number and amount; and/or A/R number and amount; and/or maintenance date and amount; and/or gear owed and amount; and/or amounts owed to others and amount
- 4th line: Balance due to employee

In the body of the check, type the name of the employee, the date of the check, and the amount.

**NOTE: IF AMOUNTS ARE OWED TO OTHERS, TYPE AN ADDITIONAL CHECK. IN THE BODY OF THE CHECK, TYPE NAME, DATE OF CHECK AND AMOUNT.**

- Record the check on the AO-150.
- Record the check number(s) on the respective documents.
- Forward the issued RF check to the authorized check signer for signature.
- The check signer will forward the signed RF check to the employee authorized to mail or distribute the check. Checks will not be routed for mailing or distribution through the person who authorized the disbursement or prepared the check.
- Complete and submit AO-58, Revolving Fund Transmittal Letter with the check foils to DAO-RF.Unit.

## **Uniform Advances**

Uniform Advances issued to employees must be collected and cleared using the employee's SCO pay warrant and in accordance with applicable Bargaining Unit rules.

When LHRM receives the SCO pay warrant, a PO35 is prepared. The PO35 is submitted to unit typist. The unit typist will prepare a Revolving Fund check for balance remaining. The Revolving Fund check will be returned to unit finance for distribution.

## **Unit Finance**

If the SCO warrant does not cover the advance, LHRM will send the PO 35 instructing Finance to deposit the SCO warrant.

An employee's personal check for payment of a uniform advance should be sent directly to Finance.

Finance will deposit the SCO pay warrant or employee's personal check and record the information on the AO-197a, Revolving Fund Reimbursement using AO-197-7 sample as a reference

## **Unit typist**

The following is typed in the upper left-hand corner. Complete the following information using AO-107a gc as a reference:

<u>1st line:</u>	71-0, issuing index and employee vendor number (00+first 4 characters of last name + last 4 digits of SSN #) typed over the "black out" section
<u>2nd line:</u>	SCO warrant number and amount
<u>3rd line:</u>	Uniform advance check number and amount
<u>4th line:</u>	Balance due to employee

In the body of the check, type the name of the employee, the date of the check, and the amount.

After the check is typed, do the following:

- Record the check on the AO-150.
- Record the check number(s) on the respective documents.
- Forward the issued RF check to the authorized check signer for signature.
- The check signer will forward the signed check to the employee authorized to mail or distribute the signed RF check. Checks will not be routed for mailing or distribution through the person who authorized the disbursement or prepared the check.
- Complete and submit AO-58, Revolving Fund Transmittal Letter with the check foils to DAO-RF Unit.

## **REVOLVING FUND COLLECTION PROCESS**

**3742.8**

(No.151 September 2016)

If an employee owes the department monies due to an overpayment, a notice of Overpayment/Collection (Revolving Fund), AO - 450 will be completed. The overpayment could result from the below scenarios:

- Salary / Overtime advance and full SCO pay warrant were both released to an employee instead of deducting the amount owed.
- Uniform advance was not deducted from annual replacement allowance.
- Payroll Warrant was not sufficient to cover the Salary Advance issued to the employee.
- Direct Deposit was not canceled. Therefore, the warrant was not received at the department and balance owed was not deducted.
- Travel Advance issued but Travel Claim has not been submitted or payment has not been received from the employee.

## **REVOLVING FUND TRANSMITTAL LETTER, AO-58 DISTRIBUTION**

**3742.9**

(No.151 September 2016)

Within 24 hours of the date of the check, complete a Revolving Fund Transmittal Letter, AO-58. Complete the following information using the AO-58 gc as a reference:

- Date Mailed
- From: Name of Unit and Index number
- Enclosed are check numbers issued including voids
- Date of checks
- List of "VOID" checks (if any)
- Signature of employee submitting this transmittal.

Distribute as follows:

- Original: DAO – RF
- Duplicate: Retained by unit

Attachments needed (Do not staple foils, use paper or binder clips)

- AO-107 with supporting documents such as Vendor Invoice, vendor document showing amount of RF needed, justification, special authorization, etc.
- AO-119, Transmittal of Vouchers for cash payment.

## **DISTRIBUTION OF REVOLVING FUND CHECKS**

**3742.10**

(No.151 September 2016)

### **Unit Finance**

When checks are received from the unit typist, do the following:

- Separate the checks from the foils and forward the original requesting documents to the authorized check signer for signature.
- The authorized check signer will match the check against the original requesting documents and sign it, if correct. If in error, the signer will return the check to unit finance. The signed check will be forwarded to the employee authorized to deliver, distribute, and mail the signed Revolving Fund Checks. Do not route the check for mailing or distribution to the person who authorized the disbursement or preparation of the check. Per SAM section 8041.2, checks will be delivered directly to the payee by either U.S. mail, messenger service in a sealed envelope, or a person having no connection with either preparing or approving the claim or the invoice.
- Periodically review outstanding AO-123s, AO-107s and/or aged listing and contact employee or unit personnel for repayment.

## **EMERGENCY FIRE TIME CHECK PREPARATION**

**3742.11**

(No.151 September 2016)

Upon receipt of the Time Sheet and Pay Voucher, Short-Term-Non Civil Service (FC-42), the Paying Officer will audit the FC-42 for proper completion and for mathematical accuracy. Ensure that the pay rate is accurate. After it is approved, it is forwarded to the unit typist.

### **Unit typist**

The following is typed in the upper left-hand corner. Complete the following information using AO-107a gc as a reference:

1st line: Issuing index  
2nd line: FC-42 #  
3rd line: pay period (optional)

In the body of the check, type the name of the employee, the date of the check, and the amount.

After typed, do the following:

- Record the check on the AO-150.
- Record the check number and the date on the FC-42.
- Forward the issued RF check to the authorized check signer for signature.

- The check signer will forward the signed checks to the employee authorized to mail or distribute the checks.
- Complete and submit AO-59 with check foils to DAO/RF Unit.

## **EMERGENCY FIRE TIME TRANSMITTAL LETTER, AO-59 DISTRIBUTION**

**3742.12**

(No.151 September 2016)

Within 24 hours of the date of the check complete an Emergency Fire Time Transmittal Letter, AO-59. Complete the following information using AO-59 gc as a reference:

1. FY: Fiscal year of the FC-42s.
2. From: Unit name and Index.
3. Date Sent to DAO.
4. Check Numbers: sequence of check numbers issued including Void Checks.
5. Net Pay (Summary from FC-42s).
6. Federal Tax Withheld (Summary from FC-42s).
7. State Tax Withheld (Summary from FC-42s).
8. Gross Pay (Summary from FC-42s).
9. Totals (Total of columns).
10. Date of Checks.
11. List of "VOID" checks (if any).
12. Signature of auditor preparing AO-59.
13. Phone number of auditor.

Distribute as follows:

- Original: DAO - Fund Accounting
- Duplicate: Retained by unit

Attachments needed: (Do not staple foils, use paper or binder clips)

- Forestry Account No. 351 check counterfoils (white)
- Time Sheet and Pay voucher Short Term - Non Civil Service, FC-42 originals

[\(see next section\)](#)

[\(see HB Table of Contents\)](#)

[\(see Forms or Forms Samples\)](#)